

Message Text

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SUBJECT: CONFRONTATION IN LABOR NEGOTIATIONS AT TEXACO TRINIDAD

1. BEGIN SUMMARY: THE POSSIBILITY OF A SHUT DOWN OF
TEXACO'S OPERATIONS IN TRINIDAD, EITHER BY A STRIKE
OR BY THE COMPANY'S OWN DECISION, HAS BECOME MORE
REAL AS CONTRACT NEGOTIATIONS WITH THE OILFIELD WORKERS'
TRADE UNION (OWTU) HAVE REACHED A STANDBY AND THE
"GO SLOW" BY OWTU MEMBERS AT THE TEXACO DOCK BEGINS
TO AFFECT OTHER PARTS OF THE OPERATION. INTERVENTION
BY THE GOVERNMENT IS POSSIBLE, BUT SO FAR THE GOVERNMENT
HAS NOT INVOLVED ITSELF IN A DISPUTE BETWEEN THE
LARGEST MULTINATIONAL COMPANY IN TRINIDAD AND THE
MILITANT, ANTI-GOVERNMENT OWTU. END SUMMARY.

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2. AS THE NEGOTIATIONS OF A NEW, THREE-YEAR CONTRACT BETWEEN TEXACO TRINIDAD AND HTE OILFIELD WORKERS' TRADE UNION (OWTU) ENTERS ITS THIRD MONTH, THE COMPANY AND THE UNION APPEAR TO BE HEADED FOR A CONFRONTATION WHICH COULD RESULT IN EITHER A STRIKE OR IN TEXACO SHUTTING DOWN ITS OPERATIONS. THE UNACKNOWLEDGED BUT EFFECTIVE "GO SLOW" BY TEXACO DOCK WORKERS WHICH HAS BEEN IN EFFECT SINCE DECEMBER IS SLOWLY BRINGING THE TEXACO REFINERY OPERATIONS TO A STANDSTILL BY DELAYING BOTH THE UNLOADING OF CRUDE OIL TANKERS AND THE LOADING OF REFINED PETROLEUM PRODUCTS FOR EXPORT. ALTHOUGH TRINIDAD ITSELF HAS NOT YET EXPERIENCED ANY SERIOUS SHORTAGES DUE TO THE "GO-SLOW" SINCE ITS GASOLINE, KEROSENE, AND AVIATION FUELS ARE TRANSPORTED BY TRUCK, THE IMPACT OF THE UNION'S ACTION IS ALREADY BEING FELT IN OTHER CARIBBEAN COUNTRIES FOR WHOM TEXACO IS THE PRIMARY SUPPLIER OF PETROLEUM PRODUCTS.

3. TALKS ON THE NEW CONTRACT BEGAN ON AN OPTIMISTIC NOTE LAST YEAR ON NOVEMBER 4 WITH BOTH TEXACO AND THE OWTU SAYING THAT THEY HOPED TO REACH AN AGREEMENT BEFORE CHRISTMAS EVEN THOUGH THE PRESENT CONTRACT DOES NOT EXPIRE UNTIL FEBRUARY 27 OF THIS YEAR. HOWEVER, THE WIDE GAP BETWEEN THE UNION'S PROPOSAL -- AN 80 PERCENT WAGE INCREASE OVER THREE YEARS -- AND THE COMPANY'S LAST OFFER IN MID-DECEMBER -- 25 PERCENT (UP FROM ITS OPENING OFFER OF 19 PERCENT) HAS NOT NARROWED DESPITE NUMEROUS BARGAINING SESSIONS. THE LACK OF PROGRESS AT THE NEGOTIATING TABLE HAS LED TO FREQUENT AND ACRIMONIOUS EXCHANGES IN THE MEDIA, INCLUDING TEXACO'S CHARGES THAT WORKERS HAVE ENGAGED IN ACTS OF SABOTAGE AND ITS FREQUENT WARNINGS THAT THE UNION'S "GO SLOW" MAY FORCE THE COMPANY TO SHUT DOWN, CONTRIBUTE TO GROWING EXPECTATIONS THAT A STRIKE OR A SHUT DOWN MAY OCCUR. GEORGE WEEKES, PRESIDENT GENERAL OF THE OWTU, HAS HEATEDLY DENIED THE SABOTAGE CHARGES AS WELL AS THE EXISTENCE OF A "GO SLOW", AND HAS REAFFIRMED THE INTENTION OF THE UNION TO HOLD OUT FOR THE FULL 80 PERCENT IT IS ASKING.

4. IN VIEW OF THE IMPORTANCE OF THE TEXACO CONTRACT TO THE OWTU AND THE BUILD-UP WHICH WEEKES HAS GIVEN TO THE LIMITED OFFICIAL USE

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NEGOTIATIONS ("THE BATTLE OF BEAUMONT HILL," REFERRING TO THE SITE OF THE NEGOTIATIONS), IT WILL BE DIFFICULT FOR THE OWTU LEADERSHIP TO BACK DOWN ON ITS DEMANDS AND RETAIN THE SUPPORT OF ITS MEMBERS. ANY SIGNIFICANT CONCESSIONS BY THE UNION TO TEXACO, THE LARGEST MULTINATIONAL COMPANY IN TRINIDAD, WOULD ALSO WEAKEN WEEKES' REPUTATION AS A RADICAL LEADER. ON THE OTHER HAND, THE TEXACO NEGOTIATORS ARE OFFERING MUCH LESS THAT THE 40 - 45

PERCENT AVERAGE WAGE INCREASE OF RECENT MAJOR LABOR SETTLEMENTS IN TRINIDAD WHICH, IN VIEW OF THE DRAMATIC RISE IN OIL COMPANY PROFITS IN 1974, THEY CANNOT REALISTICALLY EXPECT TO AVOID PAYING. THIS STAND OFF HAS GIVEN RISE TO RUMORS THAT TEXACO WOULD NOT BE UNHAPPY TO SEE ITS TRINIDAD OPERATIONS CLOSE DOWN AT A TIME WHEN IT EXPECTS ITS PARENT COMPANY IN THE UNITED STATES TO BE IDLED BY AN OILFIELD AND ATOMIC WORKERS UNION STRIKE.

5. UP TO NOW THE GOTT HAS NOT BECOME INVOLVED IN THE DISPUTE ALTHOUGH THE INDUSTRIAL RELATIONS ACT (IRA) GIVES IT AMPLE AUTHORITY TO DO SO. THE UNION'S TACTIC OF EMPLOYING A "GO SLOW" AT THE DOCKS WHILE DENYING THAT SUCH AN ACTION, WHICH IS EASY TO SEE BUT DIFFICULT TO DOCUMENT, IS TAKING PLACE (SINCE IT WOULD DIRECTLY VIOLATE THE IRA), ALLOWS THE UNIONS TO SHIFT THE ONUS FOR A POSSIBLE SHUT DOWN TO THE COMPANY AND TO AVOID THE LOSS OF WAGES AND THE PROBABLE LEGAL PENALTIES INVOLVED IN A STRIKE. THE FACT THAT DURING THE NEGOTIATION OF THE PRESENT CONTRACT IN 1971 THE GOVERNMENT DECLARED A STATE OF EMERGENCY AND INCARCERATED THE PRINCIPLE OWTU NEGOTIATORS HAS PROBABLY CAUSED THE UNION TO BE CAUTIOUS ABOUT GIVING THE GOTT LEGAL GROUNDS TO INTERVENE AGAIN. DESPITE THE ADOPTION BY THE GOTT OF MORE NATIONALISTIC ECONOMIC POLICIES SINCE 1971, PRIME MINISTER ERIC WILLIAMS WOULD PROBABLY NOT HESITATE TO INTERVENE ON BEHALF OF TEXACO AND AGAINST HIS CHIEF RADICAL ANTAGONIST, GEORGE WEEKES, GIVEN SUFFICIENT JUSTIFICATION. FURTHERMORE, WILLIAMS WOULD BE PARTICULARLY ANXIOUS TO AVOID A SERIOUS DISRUPTION IN THE T&T OIL INDUSTRY NOW WHEN HE IS EMBARKING ON A NUMBER OF MAJOR INDUSTRIAL DEVELOPMENT PROJECTS BASED ON THE COUNTRY'S OIL REVENUE, PROJECTS WHICH HE HOPES WILL POLISH HIS SWINDLING POLITICAL LUSTRE.

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